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PRELIMINARY ASSESSMENT OF THE POTENTIAL FOR MARKET PREMIUMS FOR FIRST NATIONS BRANDED MEAT PRODUCTS

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The Federation of Saskatchewan Indian Nations' Agricultural Task Force First Nations Bison Project:

Feasibility Analysis for the Development of a Cultural Brand for First Nations Produced Bison

Prepared by Bliss C. Tenning, B. Comm., on behalf of the Federation of Saskatchewan Indian Nations' Agricultural Task Force

May 1, 2003

Executive Summary

Background

Agriculture is once again becoming a foundation for an economic base for First Nations people of Saskatchewan. There are over two million acres of land that are now controlled by the First Nations of Saskatchewan. Much of this land is generally best suited for livestock production. However, livestock production is typically a low margin industry. One way in which to increase the profitability of such operations is by obtaining a premium price through successful differentiation of the product.

There is the possibility that the meat from bison produced by the First Nations of Saskatchewan could be successfully differentiated from other meat by using First Nations culture as the basis for differentiation. Therefore, through developing and marketing bison produced by First Nations farmers using a First Nations brand, a premium price and larger profits could result.

Objectives

Under the direction of the Federation of Saskatchewan Indian Nations' Agricultural Task Force headed by Tom Allen and Ken Bear, the objectives of the following research are: to document successful examples of non-traditional differentiation, such as regional or ethnic differentiation, as a marketing strategy; also, to determine what geographic market segment would be most willing to pay a premium price for First Nations differentiated livestock; and lastly, to make a preliminary assessment of what premium can be realized for bison produced by First Nations farmers and marketed under a First Nations brand.

Insight will also be provided about possible complications and objections involved in using a cultural brand as a marketing strategy and recommendations will be provided to counteract any potential problems.

Methodology

This project consists of three integrated parts. First, an exhaustive literature review has been completed. The literature review was used to document the research that has been conducted on the successful efforts to brand meat, as well as other food products, using a cultural or ethnic brand. Second, a survey instrument has been developed and administered to knowledgeable individuals in the meat industry. These individuals have provided information on the potential of marketing First Nations branded meat products into Canada, the United States, Germany and Japan. Lastly, the results of the literature review and survey instrument interviews have been analyzed and documented via this document.

Expected Results

This project is intended to provide preliminary information on the potential advantages of using a First Nations brand to market bison meat products. It is expected that the results of the literature review and expert interviews will provide information on whether a premium price may be realized for First Nations branded bison meat products, and which market segment would provide the best opportunity to realize a market premium.

Benefits

The benefits of producing differentiated meat include benefits to First Nations people of Saskatchewan, especially the one half of the First Nations population that lives on reserves, in which the land is best suited for livestock production. Other benefits include the enhanced economics and sustainability of Saskatchewan's agricultural production.

Background

Significance of Bison to First Nations Culture

For thousands of years the Plains Indians depended on the bison for all the essentials of life: food, clothing, shelter, fuel and tools. The Plains Indian people made good use of all of the materials obtained from the bison. Not only did bison provide food from the meat, fat and blood, it also provided raw material for tools and weapons (bone, sinew and rawhide), shelter (hides, bone pegs), paint (fats, blood), ceremonial trappings and clothing (horn head-dresses, hides, bone), dog food (bones, offal) and many other uses. However, the relationship between the bison and the Plains Indians went beyond the physical world. The bison were sacred to the Plains Indians and became a symbol of spiritual worship. John (Fire) Lame Deer said it perfectly when he stated, "The buffalo was part of us, his flesh and blood being absorbed by us until it became our own flesh and blood. Our clothing, our tipis, everything we needed for life came from the buffalo's body. It was hard to say where the animal ended and the man began." (Geist p.37)

There were once tens of millions of bison estimated to have once occupied the plains region; however, by the late 1800's there were less than 1000. With government approval, the bison were once almost eradicated which not only wiped out an important food source for First Nations people but also their spirituality and ceremonialism. Now, with the growth in the bison population, it is a signal for First Nations peoples to celebrate their renewed presence and begin revitalizing First Nations heritage. The bison are still a large part of First Nation spirituality based on tradition and ceremony passed on through the generations. Although the physical uses of the bison may not be the same today as in the past, the bison can still serve First Nations peoples today through contemporary methods of agriculture.

The Importance of Branding

A brand is a combination of name, words, symbols or design that identifies the product and company while differentiating it from the competition. It should be clear, specific and unique to your product. It should also consist of a name, slogan and symbol or logo to be effective.[i]

According to a report, entitled *Building Your Brand,* written by Nancy Giddens, an agricultural marketing specialist, "branding is one of the most important factors in determining a product's success or failure. Branding offers instant product recognition and consumers, as a result of effective advertising, identify branded products as being of high quality." (p. 1) Receiving a premium price for a First Nations brand for bison meat will depend on the consumers' view of the product being of high quality. Shoppers are attracted to branded products and spend three to four times more than on private labels. Generally speaking, the number one brand in a product category can command a 10% premium over the number two brands.[ii] Therefore, choosing the right brand for First Nations produced bison meat will increase the likelihood of success for the marketing plan for the product.

Giddens also points out in her report that branding is also beneficial for other reasons. These include differentiation and building brand loyalty. Differentiation is a brand that provides a clear and definitive reason for customers to buy a product. Smaller businesses cannot compete on price successfully and therefore need to incorporate some form of differentiation. For First Nations farmers, this is important because it would be very difficult to command a premium price for bison meat without a form of differentiation such as a brand. Branding also builds brand loyalty. Brand loyalty is in the form of recurring profit that is generated by repeat and referral sales of a brand.[iii] These repeat sales can be up to 90% less expensive to a company than new customer development.[iv] Therefore, the importance and benefits of branding for First Nations producers is evident.

There are some challenges to building a brand that Giddens points out. These challenges include creating just the right combination of name, slogan and symbol or logo. Therefore, a great deal of care and consideration should be given to ensure the right one is chosen. Furthermore, it is difficult to achieve initial customer recognition of a new product; however, branded items are more recognizable and memorable to the consumer. Effective advertising and promotion are key to overcoming this obstacle.

Successful Attempts at Non-traditional Differentiation

Dermot Hayes and Sergio Lence's report entitled, *Farmer Owned Brands,* reveals that a real solution which, meets consumers' desire for variety and quality and allows farmers to retain profit margins for long periods, has begun to emerge. This solution is identified as a set of institutions that allows farmers to own their own brands and to control production of branded quantities. Coined in the European Union, this concept is referred to as either a "guarantee of origin" or a "guarantee of production process".

Hayes and Lence also point out that, in agriculture, producers cannot influence the price that they are offered because no single producer can influence the market. Therefore, producers must accept the price that is available in the market and will do so even if this price does not cover costs. This means that primary producers are price-takers not price-makers. However, if a farmer sells a product that is differentiated from the product of any other farmer, consumers will view it as unique; otherwise, they will make decisions solely based on price. Small farmers may find it difficult to compete solely on price because larger producers have bigger economies of scale and lower fixed costs.

Hayes and Lence indicate that it is generally difficult for farmers to differentiate their products; therefore, any mechanism designed to generate differentiated agricultural products must meet the following criteria, which have been adapted from their report:

- Transmit price signals from consumers to producers;
- Achieve a scale of production sufficiently large to justify the costs of "creating" and "maintaining" the differentiated image among consumers;
- Prevent imitation of the differentiated product; and
- Depend on a method of supply control that does not violate laws against price fixing.

Another thing that Hayes and Lence reveal is that if the profits associated with the differentiated product are to be captured by the farmers rather than other players in the marketing channel, the farmers themselves must own the rights to the differentiated products.

To address the problem of imitation by other producers is to limit production of the differentiated product to a specific area and to limit production within this area. For First Nations farmers this should not be a concern as bison is already in limited supply, but this is something that should be kept in mind for the future.

Farmer owned brands must be based on some type of attribute, such as region, in order to assert supply control without violating price fixing rules, thereby justifying the restriction based on the specific attributes of the region.

One successful example in Hayes and Lence's report is that of *Parma Ham* in the E.U. This brand is owned by a group of ham processors rather than by hog farmers. They maintain control over production using a regulation that specifies that all ham bearing this brand is cured in a very small area just south of the city of Parma in Italy. The argument used to justify this restriction is that this region has been used to dry-cure ham since the times of the Roman Empire because the weather is ideally suited for the process. Also, that the ham be produced from a pig raised in certain regions of northern Italy and only traditional Italian breeds are allowed. Therefore, the success of the program can also be transferred to Italian hog producers. Italian hog prices have averaged $7.44 per hundred pounds higher than German hogs.

For First Nations bison farmers, rather than using just region as the reason for justifying the restrictions of supply control, culture can be used as well. Control can be maintained by using a regulation that specifies that all bison bearing the First Nations brand, is produced only by First Nations farmers. There are many obvious arguments for using such a regulation, the most obvious being that it is a First Nations brand; therefore, it only makes sense that only First Nations farmers be allowed to use the brand.

Another interesting farmer owned brand indicated in the report by Hayes and Lence is one based on a fourteenth century picture of a boar with a pink stripe on its shoulder. This breed has now been re-established, and ham from this breed commands a super premium. Therefore, products that serve to bring back memories of an earlier era for some consumers may also succeed.

This has important implications for First Nations farmer owned brands of bison because it is also a breed that has been recently re-established and could serve to bring back memories of an earlier era for some consumers. That has typically been a major reason for bison producers receiving premium prices for bison meat in the past.

Grey Owl Foods is an organization that is owned by Saskatchewan First Nations. 72 Indian Bands across Saskatchewan wholly own Grey Owl Foods. It was formed as the U.S. division of Grey Owl Marketing Ltd. Approximately 300 growers harvest the rice and sell it to Grey Owl Foods. This rice is sold under the name of Grey Owl Wild Rice. It is processed in La Ronge, packaged, then sold both locally and globally. International markets include the United States, France and Germany.

Native Americans, through the Intertribal Agriculture Council, have developed a "Made by American Indians" trademark that is approved for use by the U.S. Patent Office in three primary areas. One of the areas the Trademark is approved for use on is among edible products which includes meat. The trademark that is used on livestock products is the "Produced in Indian Country" version. There are conditions that apply to those who wish to use the trademark,

which include livestock products that were fed for at least sixty days prior to slaughter. There are also display requirements for the use of the trademark as well. The trademark was first used in 1993 during a test-marketing phase for Manitok Wild Rice and was approved in 1994. The trademark has helped Native Americans realize a larger market share and value of the limited Native American products.[v] However, the trademark has also served as an expression of the tradition, culture and pride found in Indian country for the Native American products that proudly display this emblem to improve product recognition.[vi]

By looking at the previous examples, one can see that First Nations cultural brands are not entirely new. It is something that has been attempted in the past and has been successful. By establishing a successful brand, First Nations bison producers would be able to receive a premium price above that of regular bison prices.

Development of a First Nations Brand

Preliminary Analysis for the Feasibility of a First Nations Brand

It has already been disclosed that cultural branding is possible and can be successful under the right circumstances. However, simply developing a First Nations brand does not guarantee success of the product or the realization of a premium price. It has already been noted that the right combination is needed to make an effective brand that will allow consumer recognition of the product and differentiate the product from others. Consequently, the right market must be chosen in order for the product to be successful.

Upon interviewing experts from the bison industry, there were some varying opinions about the ability of a First Nations branded bison product as being able to receive a premium price. Most interviewees believed that it is possible to receive a premium price, but would depend highly, on which country is going to be entered. A potential market analysis will be provided later in this report to help determine which would be the best region to begin marketing First Nations branded bison products.

Another point that was mentioned by most of the interviewees was that most of the demand would be for the premium, high quality cuts of bison such as the tenderloin. Hence, First Nations producers can expect to receive premium prices primarily for the highest quality cuts, which is about 19% of the carcass. As a result, other markets would need to be developed for the lower quality cuts. Some possibilities include mid-rated restaurants, large events such as festivals and trade shows and individual consumers.

First Nations Concerns

It is important to understand how First Nations people feel about undertaking such a venture as this project. Therefore, Elder Walter Linklater, who is a very prominent First Nations Elder in Saskatchewan, was interviewed in order to gain some perspective on some of the concerns that might be raised among First Nations people regarding the use of a cultural brand to market First Nations produced bison products. Mr. Linklater is also a teacher at the First Nations University of Canada (formerly the Saskatchewan Indian Federated College) and helps the students there to learn how to incorporate First Nations spirituality, ceremonialism, and tradition into their modern education.

Concerns that were conveyed by Mr. Linklater included the fact that the sacredness of bison to First Nations culture must not be ignored. Traditionally, it is believed that the bison must only be killed when they are needed and only after prayer and ceremony. If First Nations people were to ignore this, according to belief, it could lead to very bad things for First Nations people. It is imperative then, to incorporate prayer and ceremonialism in all aspects of bison production, slaughter and marketing.

Mr. Linklater also pointed out that it is the ceremonial Elders of the various First Nations of Saskatchewan that should be involved in the process of prayer and ceremonialism which should be incorporated into bison production, slaughter, and marketing. He also mentioned that it should also be those Elders that should pray and use ceremonialism to develop the First Nations brand name, logo and slogan. Symbols that are indicative of First Nations culture such as circles, certain colors and nature are just some of the aspects of the culture that could be used. It was also suggested during the interview that English should be the language used for the name of the brand and slogan so as not to favour any particular First Nation nor offend the others.

The prayer and ceremonialism that should be involved in all aspects of First Nations bison productions and marketing could be used as part of the brand's differentiation marketing strategy. Part of what the First Nations producers would be selling by using a First Nations branded bison product is the culture. Hence, by incorporating prayer and spirituality into the process, there could be some perceived added value for some consumers.

Implications

It has already been determined that First Nations producers can hope to realize a premium price through efforts at developing a First Nations brand to market bison meat. However, there are other important implications for First Nations people that could result through the use of a cultural brand.

For instance, the development of a cultural brand is just one way in which First Nations culture can be revitalized by its peoples, and to help those people become more in touch with their heritage. That is, through the development of a cultural brand, First Nations become marketers of not only a product, but also their culture. In other words, it allows First Nations people to share their culture with people from all around the world and to give others the awareness, knowledge and appreciation of that culture. Such branding methods help to ensure the integrity of First Nations' cultures as it empowers First Nations' to define themselves within contemporary markets. Hence, it also places First Nations people on the world market as fair competitors.

Bison Industry Overview

Canadian Bison Industry-Competitive Analysis

The markets for bison include those for meat, live sales for breeding, tourism and sale of bison skulls, hide, leather and so on.[vii] For the purposes of this report, focus will be given to the bison meat market.

The following information will provide a competitive analysis for Saskatchewan First Nations producers and how this analysis could affect those producers and their ability to compete.

Characteristics and Nutrition

Bison meat has a rich and unique taste without a wild flavour. It is very juicy and rich when cooked properly. The texture is very tender with little connective tissue in carcasses slaughtered at less than three years of age.[viii] It is natural, healthy meat, without hormones or artificial growth stimulants and/or antibiotics.[ix] Bison meat is also low fat, low cholesterol and low calorie. Moreover, it does have comparable protein levels to beef. (Table 1) As such, bison meat can be perceived as a high quality product deserving a high price.[x] One key trend in the bison meat industry is that health conscious consumers will be attracted to bison meat for its healthy characteristics.

Table 1: Comparison of Bison to Other Meats

3 Ounce Serving	Calories	Fat	Cholesterol
Bison	93	1.8g	43mg
Turkey	125	3.0g	59mg
Beef	183	8.7g	55mg
Chicken	140	3.0g	77mg

(Source: Bison Production-Government of Saskatchewan March 1998 p.2)

International grading and trade regulations are the same as for beef; hence, new standards do not need to be developed. (Appendix) Certified grading agents look at maturity, conformation, fat cover, meat color and texture.[xi]

There are two methods of finishing: on pasture or by feeding a grain ration in feedlots. A study conducted by researchers at Colorado State University revealed that consumers preferred the taste of grain fed bison 6 to 4 to grass fed.[xii]

Another study conducted by North Dakota State University showed the nutritional differences between grain and grass fed bison. Grass fed meat was found to have a more balanced ratio of Omega 3 and Omega 6.[xiii]

However, there are some concerns about diseases among bison such as Tuberculosis and Malignant Carreheal Fever among others. Nevertheless, the Canadian Food Inspection Agency must conduct testing before any meat can be exported.

Potential for Growth and Export

There has been a growing interest in bison production due to lower production costs and higher market prices compared to other livestock. Generally speaking, raising a bison costs about half as much as raising a cow. (Manning p.1) Recent commercial bison production has expanded, due in part to 1) a changing demand for lean red meat, 2) a new level of maturity associated with the management of bison, 3) a threshold level of breeding stock, and 4) a positive economic outlook for the industry. (Rutley p.1) However, the Canadian bison industry is much smaller than the American bison industry.

The production of bison for meat has rapidly developed. Young bulls less than three years old are the primary source for meat with most females being kept for breeding.[xiv] Bison are usually marketed to feeder and/or finisher operators or to slaughter and/or processing facilities. Bison meat is marketed either locally at the farmgate level or to wholesalers and/or distributors. To tap into international export, animals must be slaughtered and processed in federally licensed and inspected facilities.[xv]

The most prominent market for bison meat is the restaurant industry. The retail industry is developing and there is still a lot of potential for Saskatchewan producers.[xvi] While some bison farmers "niche market" directly to consumers or restaurants, others sell to the existing wholesale marketing outlets.[xvii] There are approximately half a dozen bison products wholesalers and/or distributors within Saskatchewan. [xviii]

Throughout the 1990's, the bison industry experienced a tremendous upswing with approximately 25% annual growth in Canada and 15% in the U.S.[xix] The Canadian bison herd reached its predicted size of 200,000 head by the year 2001.[xx] The recent growth in the bison industry includes an 81.6% increase in exports between 1999 and 2000.[xxi]

Table 2: Amount of Bison Meat Exported from Canada (kg)

	1995	1996	1997	1998	1999	2000
U.S.	148,393	102,641	142,572	244,291	334,000	719,511
France	16,257	204,982	231,982	229,382	165,404	184,644
Belgium	535	33,527	1,055	-	-	-
UK	26,201	4,860	3,508	-	-	-
Other	3,512	218	791	289	2,022	6,466
Total	**194,898**	**345,629**	**379,818**	**473,962**	**501,426**	**910,621**

(Source: Canadian Food Inspection Agency)

The European Union and Japan are major global consumers of specialty meat and they tend to be large importers of meat from all over the world. Canada is not a major exporter of speciality meat including bison. Consumers in Asia and Europe continue to be concerned about the safety and quality of meat purchases, which include issues of traceability (Government of Saskatchewan n.pag.). This issue of traceability is just one more reason why a brand makes sense for First Nation's bison producers. If the product is branded, it can be easily traced to place of origin. It also makes sense to market bison meat as a healthy alternative to traditional meat that is grown on clean and unspoiled Canadian land. This aspect is important as the demand for game meats in the world are strongly related to the production of natural and hormone free meat (Government of Saskatchewan n.pag.).

Saskatchewan bison is showing great potential for growth and export (Government of Saskatchewan n.pag.). According Statistics Canada, in 2001 there were 34,781 bison in Saskatchewan, or 23.7% of Canada's bison population.[xxii] Only Alberta has a higher amount of bison than Saskatchewan in Canada.

The top two export markets are the U.S. and France.[xxiii] There is no commercial bison production outside North America because the species are indigenous to the region. Canada represents approximately 20% of the commercial North American bison population and Saskatchewan represents one quarter of Canadian totals.[xxiv] This is a competitive advantage as it provides production limitation to prevent market prices from escalating as well as a geographic or cultural advantage.

The need to export creates additional start-up pressures. In order for export to be possible, production volumes have to be larger. (PPD Technologies Inc. p.21) Producers are currently selling the entire product that they are able to slaughter. Seasonally, the market is ahead of production. (PPD Technologies Inc. p.44) Therefore, by combining First Nations bison producers the overall volume is increased making it somewhat more feasible to begin exporting. However, production for export must continue to grow in order to remain competitive.

Escalating matters are the added costs to exporting a product associated with passing the product through a federally inspected plant. (PPD Technologies Inc. p.21) Until animal numbers increase substantially, the low volumes will affect slaughter and distribution costs. (PPD Technologies Inc. p.45) Slaughter costs are three to four times the cost of beef.[xxv] However, if the product is marketed as a culturally branded product and sold at a premium, most of those costs should be offset. One possible solution to the problem of low production volumes could be to partner with Native American producers to increase production sizes and to ultimately reduce competition. Canadian native bands have access to U.S. native owned breeding stocks. (PPD Technologies Inc. p.46)

The demand for processing of specialized livestock in Saskatchewan is seasonal. There are several slaughter facilities in Saskatchewan that process specialty livestock at some time during the year, but only a few regularly deal with specialty livestock. In most cases, those processors utilizing provincially inspected facilities will also conduct the marketing of these and other processed products (Government of Saskatchewan n.pag.).

The lack of federal and/or EU approved facilities dedicated to specialty livestock has limited access to national and international markets for specialized livestock producers. However, a news release on June 12, 2002, by the Government of Saskatchewan, revealed that "the Food Center in Saskatoon has recently been expanded to include a state of the art, federally inspected and EU certified processing facility. The plant can handle interim large-scale processing for a variety of products including sepcialized livestock. The food center can also assist processors with product development, regulations, packaging and food quality assurance programs. One federally inspected processing plant, Centennial Foods in Saskatoon, is already a part of a co-operative venture partially funded by the Canadian Adaptation and Rural Development of Saskatchewan (CARDS), to produce buffalo burgers marketed to Saskatchewan retailers under a branded name. The bison are sent to Alberta for slaughtering and the meat is shipped back to Saskatoon for processing." (Government of Canada n.pag.)

There is no federally inspected slaughter plant for specialized livestock in the province, most of the slaughter and secondary processing of locally raised specialty livestock for export is completed out of province, usually in Alberta or Ontario (Government of Saskatchewan n.pag.). A report by PPD Technologies Inc. reveals that, "farmgate and local selling comprise the bulk of specialty meat sales but, since production volumes are insufficient to justify the cost of a Federal inspected slaughter facility, there are none located in the province of Saskatchewan. However, as production increases, it is expected that greater numbers will be sold out-of-province, and in export markets. This will increase the need to custom slaughter more animals in existing federally inspected plants." (p.16) Once this occurs it will be more feasible for Saskatchewan specialty slaughter plants to become a Federally inspected plant.

Until such a time, transport of bison is a problem, but the knowledge of how to handle and prepare animals for transport is a major problem. There is little knowledge about how to properly load and unload, causes of bruising and how to minimize injury and weight loss. (PPD Technologies Inc. p.18) Nevertheless, becoming educated about these types of issues can reduce this problem. There are a wide variety of resources available about the topic of handling and transporting. Yet again, until a federally inspected slaughter plant becomes available in Saskatchewan, high transport costs remain a drawback of exporting bison.

Overall, most experts who were interviewed agreed that the major obstacles in exporting bison are the need for a Federally licensed/EU approved slaughtering facility, high tariffs and export/broker fees. Broker fees are approximately $0.20/lb to $0.33/lb. The price varies with each broker depending on the volume shipped, quality of the broker and the services that are provided.

The most effective distribution system for international export that was mentioned by most of the experts interviewed was through an experienced broker into wholesalers. This is an established and stable method. However, many of those surveyed feel that this has a large impact on the profitability of marketing bison meat into other countries because of associated costs. For farmers to capture more of the profits, most experts agreed that it is necessary to sell closer to the end user. In this case, someone who is very familiar with all trade regulations and standards would be needed to manage border proceedings.

Market Prices

Meat prices have been discounted in an effort to develop new markets.[xxvi] Bison supply has only begun to meet the demand, which has resulted in the recent lower prices for bison meat. Therefore, new markets need to be identified and developed to increase demand and prices. Currently, bison is being exported to regions such as the U.S., France, Belgium and the United Kingdom. [xxvii]

Table 3: Average Canadian Wholesale Bison Meat Prices 1998

Item	Price per Pound
Carcass (600 to750 lbs.)	$3.60
Side	3.60
Fronts	3.40
Hinds	5.00
Loins	8.00
Strip Loin	10.75
Hip (boneless)	6.50
Dinner sausage	5.20
Hamburger patties	4.50
Ground buffalo	3.60
T-bone steak	10.00
Round steak	7.00
Prime rib roast	9.50

(Source: Bison Production-Government of Saskatchewan 1998 p.4)

Bison prices fluctuate according to supply and demand therefore, prices may be lower than indicated in the above table. In recent years bison prices have declined, but are beginning to rise again

In a report prepared by the Sustainable Production Branch of the Saskatchewan Agriculture and Food department, it is revealed that condition, size, age, sex and overall appearance of the bison prior to processing are all factors which are reflected in the market price. Other factors that must be considered when selling bison for meat are transport costs and any co-op share prices.[xxviii]

Competition and Other Obstacles

The competition that Saskatchewan bison producers face comes from the United States. The American herd size is bigger and there are more processing plants to make distribution more efficient. If Canadian bison farmers wish to enter the international marketplace they will have to complete against the American producers.[xxix] Furthermore, this could affect Saskatchewan First Nations producers because if a market is developed through the use of a cultural brand, Native American producers may choose to enter the market with a similar product. However, often it is the case that the first established brand into the market remains the top competitor.

First Nation's producers will have to compete not only with American producers, but also, with Saskatchewan and Canadian producers. Therefore, some form of differentiation will be needed because First Nation's producers do not have the capacity to compete on price alone.

In a report written by Lance Gegner, an agriculture specialist, entitled *Bison Production*, he points out that "There are several obstacles to bison marketing. One of the biggest is that the markets are unorganized. There are few established marketing and distribution systems. Other obstacles include the small size of the bison industry and insufficient amounts of bison regularly available for marketing. These obstacles are diminishing as the bison industry grows however; these are still concerns that should be addressed in any marketing plan." (p.6) Additional threats include competition from other meat such as pork, beef and poultry. Specialty and exotic meats such as game, emu and others, as well as other cultural and ethnic foods would also be considered competition for bison meat. Some consumers still have the perception that bison are still becoming extinct; however, through efforts of the bison industry many consumers know that the species is beginning to flourish.

Research has revealed that the United States bison industry is larger and better developed. It has more existing marketing and distribution channels as well as a larger supply of bison.

Market Identification and Potential Market Analysis

For the purposes of analyzing the identified potential markets for First Nations culturally branded bison, a SWOT analysis tool will be used. The SWOT analysis is an effective tool for identifying strengths, weaknesses, opportunities and threats for a potential market. This tool will help to determine if the identified markets are a good choice to market First Nation's bison.

Canada

The Canadian market is an obvious choice to market Saskatchewan First Nations branded bison. Saskatchewan First Nations bison producers are located in Canada; therefore, it would make sense to market the product in the region of origin. In the following pages, an analysis of the feasibility of developing a marketing plan for First Nations culturally branded bison in the Canadian market will be outlined. The following table shows the SWOT analysis for the Canadian market.

Table 4: SWOT Analysis for the Canadian Market

Strengths	Weaknesses
• Close to producers • Reduced transportation costs • Developed market • No tariffs • Large population, mostly middle-class	• Cultural brand does not have the ability to command a premium price. • Competition would likely be on price alone. • Heavy advertising and a very strong marketing program would have to be developed and would be very costly. • May be difficult to penetrate market due to existing competition.
Opportunities	**Threats**
• May be able to develop a niche market among First Nation's users who would be willing to pay a premium to support their own culture.	• Many competitors are already in the market and are well established. • U.S. competitors including Native American groups are a big threat due to larger, better-developed industry.

Strengths that are evident in the Canadian market are that First Nations producers would not have to pay tariffs or high transportation costs because of the local region of the market. The Canadian bison market is already developed and consumers are becoming increasingly aware of the benefits of bison meat. Canadians are mostly middle class and many are well educated.

The most prominent market for bison meat is the restaurant industry. The retail industry is developing but there is still a lot of potential for Saskatchewan producers.[xxx] While some bison farmers "niche market" directly to consumers or restaurants, others sell to the existing wholesale marketing outlets.[xxxi] There are approximately half a dozen bison products wholesalers and/or distributors in Saskatchewan.

However, the well-developed market in Canada also means that there is much more competition. A First Nations culturally branded bison product would have difficulty receiving a premium price, it would likely have to compete on price alone due to the amount of competition. Also, domestic consumer markets for specialty livestock products are minuscule.[xxxii] In a report prepared by PPD Technologies Inc., research has revealed that, "Canadian consumers have expressed concerns with cooking the product, high product costs, inadequate promotion and food preparation training, and the overall trend of meat consumption is decreasing." (PPD Technologies Inc. p.2) Furthermore, Canadian consumers would not readily see bison as a cultural product and Canadians have traditionally been divided on the support of First Nations issues. Most experts agree that although there is awareness of First Nations culture in Canada, it would not be possible to receive a premium price for a First Nations branded bison product. Tantamount to First Nations producers is that they would have to ensure the highest possible quality of meat consistently to realize a premium price. First Nations producers of a culturally branded product would also have to invest heavily in advertising and marketing, with no guarantee of successful market penetration due to the amount of competition that exists.

There may be some support for a First Nations culturally branded product among some First Nations supporters. There are some aboriginal peoples who are very proud of their heritage and would support a First Nations culturally branded product along with other supporters of First Nations peoples. However, this is a small target market and there would not be much room for growth in this market niche.

There are many threats that a First Nations culturally branded product would be facing. These threats are the competition. As already stated, a First Nations product would likely have to compete on price or quality alone which would defeat some of the purpose of developing a culturally branded product. There are many existing competitors in the Canadian market, which includes competitors from the United States, who have a larger and better-developed bison industry. Other competition includes other meat products including specialty and exotic meat as well as other ethnic and cultural foods.

Therefore, through research and careful analysis of the Canadian bison market, it is evident that this identified market for the development of and marketing of a culturally branded bison product may not be the best market for First Nations

producers to initially enter. Most experts interviewed agree that Canada would not be suitable for marketing such a product. The product would not be able to command a premium price and consumers may not be very receptive to such a product, unless it were able to compete based on high quality at a low price. However, there may be some potential to market some of the product in a niche market of First Nations supporters but not as a primary market.

United States

The U.S. market is one choice to market First Nations branded bison. First Nations bison producers are located in Canada; therefore, it would make sense to market the product in a geographically neighbouring region. Furthermore, there is a free trade agreement between Canada and the U.S, so there would be no tariffs on goods being exported. Following is an analysis of the feasibility of developing a marketing plan for First Nation's culturally branded bison in the U.S. market. Below is the SWOT analysis for the U.S. market.

Table 5: SWOT Analysis for the U.S. Market

Strengths	Weaknesses
• Close to producers • Reduced transportation costs • Developed market • No tariffs • Large population, mostly middle class	• Cultural brand does not have the ability to command a premium price. • Little knowledge of First Nations culture-some confusion. • Competition would likely be on price alone. • A lot of advertising and a very strong marketing program would have to be developed and would be very costly. • May be difficult to penetrate market due to existing competition.
Opportunities	**Threats**
• May be able to develop a niche market.	• Many competitors are already in the market and are well established. • U.S. competitors including Native groups are a big threat due to larger, better-developed industry.

The strengths that are evident in the U.S. market are that First Nations producers would not have to pay tariffs or very high transportation costs because of the local region of the market. However, a customs broker is still encouraged to manage border procedures. Brokers are familiar with all information required by the exporter and are able to provide information on market access issues.[xxxiii] The United States bison market is already well developed and consumers are

becoming increasingly aware of the benefits of bison meat. This is due to the increasing trend toward health awareness. Americans are mostly middle class and many are well educated.

Complicating matters is that the well-developed market in the United States also means that there is much more competition. According to a report by the Agri-Food Trade Service of Canada entitled, *The Specialty Food Market in the U.S.*, "Both domestic and foreign competition fight for consumer loyalty." (p.4) And, "Although products that emphasize diversity are shaping the specialty food market in the U.S" (p.4), a First Nations culturally branded bison product would have difficulty receiving a premium price. American consumers would not readily see bison as a cultural product and there are many Native American bison producers in the United States already. Upon interviewing experts it was mentioned that, one problem that could be encountered in the United States was the lack of knowledge of First Nations people or culture. Some people did not know what the term "First Nations" meant. Thus, First Nations branded bison would more likely have to compete on price or quality alone due to the amount of competition that exists. First Nations producers of a culturally branded product would also have to invest heavily in advertising and marketing, with no guarantee of successful market penetration. One producer that was interviewed, Roger Provoncher, had gone to a convention in Anaheim, CA to find out more about exporting bison into the U.S. He found that there is somewhat of an awareness of the First Nations culture, but Americans are more sold on the "natural" word than any culture.

One solution to the problem of competition as stated earlier to increase production numbers and supply, would be to partner with a U.S. based, Native American owned business in order to market a First Nations branded bison product. Thus, it is important to consider networking with such groups in the United States to find out whether there is any interest in building such a partnership. Such a partnership could be made to eliminate competition in other markets as well.

There may be some support for a First Nations culturally branded product among some consumers. However, this is a small target market and there would not be much room for growth in this market niche. Niche markets are often too specialized or too small to bother. Often, these markets are better suited for an individual producer.[xxxiv] There may be very little support for a Canadian First Nations branded bison product because there are Native American bison producers that American consumers can purchase from. Many American people perceive Native American and Canadian First Nations' culture as being very much alike. As a result, there is little hope in receiving a premium price for a Canadian First Nations branded product in the United States.

There are many threats that a First Nations culturally branded product would be facing. These threats are the competition. As already stated, a First Nations

product would likely have to compete on price or quality alone which would defeat some of the purpose of developing a culturally branded product. A "natural" type brand might have more success in the U.S. than a cultural product. However, there are many existing competitors in the American market, who have a larger and better-developed bison industry.

Therefore, through research and careful analysis of the American bison market, it is revealed that this identified market for the development and marketing of a culturally branded bison product, would not be feasible for First Nations producers to undertake. The product would not be able to command a premium price and consumers may not be very receptive to a product such as this. However, there may be some potential to market some of the product in niche markets. But, this strategy should not be considered as the product's primary market. Also, partnerships with Native American owned businesses as well as other producers are also another area in need of consideration in order to eliminate some of the competition and increase production numbers in order to meet demand.

Japan

Another market that should be given some consideration for First Nations producers to market a culturally branded bison product is Japan. Japan has a large population base in a very small geographical region. In April of 2000, there were approximately 126 million people in Japan with a land area of approximately 374, 657 kilometres squared.[xxxv] Japan is one of the most urbanized and densely populated countries in the world, averaging more than 33 people per square kilometre.[xxxvi] It has traditionally maintained low levels of unemployment and is one of the world's most powerful economies.[xxxvii] Agriculture accounts for only 2% of Japan's GDP and Japan relies on imports for almost 60% of their caloric intake.[xxxviii] Therefore, it is important to do an analysis on the feasibility of marketing a First Nations branded bison product into the Japanese market.

Table 6: SWOT Analysis for the Japanese Market

Strengths	Weaknesses
• Large importer of food. • Canada's second largest agri-food market, third largest exports market. • Large population base. • People represent some of the most affluent consumers in the world. • Population is densely packed. • Meat and seafood account for 21% of food budget spending • 16% of food budget is spent on dining out, while at least 65% dine out once a week. • Much recognition of Canadian products and some of First Nations culture.	• Japan applies tariffs on a most favored nation basis. • High import duties. • Bison must be slaughtered and packaged in Federally inspected facilities and must be tested for diseases. • The Japanese distribution system is among the most complicated in the world. • Extensive trade regulations and standards. • Limited supply of bison. • High costs associated with transportation, use of agent/broker and tariffs reduce profits.
Opportunities	**Threats**
• Products deemed healthy by the Japanese consumer are guaranteed some measure of success due to ageing population. • Japanese consumers are increasingly eating outside the home and the percentage of the total food budget spent on dining out has increased.	• Since bison are indigenous to North America, the only threats come from North American bison producers. • The main competitors are other Canadian and U.S. bison producers including those owned by other aboriginal groups. • Other meat, including specialty and exotic meats as well as other cultural or ethnic food.

Japanese consumers are some of the most wealthy in the world. According to a report by the Agri-Food Trade Service of Canada entitled, *Japan Agri-Food Country Profile*, "Consumer spending on food has not decreased however; Japanese consumers have become more discriminating. They have never been weary of spending more for quality products but now with less disposable income, they are demanding quality products at lower prices." (p.15) Japanese consumers are increasingly eating outside the home with an increase in spending from total food expenditures up to 40%.[xxxix] However, upper scale restaurants are experiencing decline, while lower- and mid-ranged restaurants are reporting small increases.[xl]

Japan is not a good market due to the high duty placed on bison products. Japan applies tariffs on a most-favored-nation basis and Canada's rate is 42%.[xli] Japan prefers to trade with Asian countries as well as Australia due to their close

proximity. The United States is another of Japan's most favored nations to conduct trade with. According to a report by Industry Canada called, *Japan: Trade Regulations and Standards*, "Japan is also well known for having a large arsenal of means by which non-Japanese products are effectively kept out of the market. Unique Japanese standards include requirements for prior experience in Japan resulting in a catch 22 dilemma. The importance of personal relationships in Japan is associated with the reluctance of Japanese business people to break or modify existing business relationships." (p.2) A Japanese agent may be very helpful in overcoming some of these barriers to conducting business in Japan. Japan does have a large market and has a greater future potential once tariff reductions take place.[xlii]

Multiple layers of agents, distributors and wholesalers mark the Japanese distribution system.[xliii] Therefore, a Japanese agent is considered essential to success in Japan.[xliv] There will also be costs associated with using an agent.

A Japanese agent would also have specialized knowledge of the extensive existing trade regulations and standards that would have to be met in order to export to Japan. Some of these include import taxes, such as the 5% consumption tax for which payment is required at the time of import declaration; import documentation and trade standards, such as measurement laws, food sanitation laws and packaging and labelling requirements. Also, according to most experts that were interviewed, Japanese people are more hesitant in doing business than many other countries and they prefer to do business in their native language. As a result, it would be beneficial to use a Japanese agent. The Japanese prefer to put a lot of emphasis on personal relationships and this can be very time consuming and costly. There also would be substantial costs associated with meeting all of the trade regulations and standards which would include the 5% consumption tax, packaging and labelling costs and agent fees.

If an agent were not to be used it would take a very long time for First Nations producers to make contacts and build solid business relationships with Japanese customers. Therefore, someone who is knowledgeable about Japanese custom and language would be essential if an agent would not be used.

Due to the perishable nature of the product, bison meat products would have to be transported by air. There are high costs associated with transportation by air, which would have to be taken into consideration. Japan has 167 airports, 137 of which have paved runways and over 100 airports have runways over 1000 metres.[xlv]

There is awareness of Canadian products in Japan; however; there is limited knowledge of First Nations culture. Consequently, heavy investment in marketing, advertizing and promotion would be needed to help promote First Nations culture and ensure the success of a First Nations branded bison product. Yet, most experts interviewed believe that First Nations producers must also

ensure that the bison being produced is consistently of the highest quality available in order for the product to be successful, especially in Japan.

There is limited demand for bison in Japan at present, which is currently being filled. However, there is a tremendous amount of room for growth and the limited supply of bison among First Nations producers could eventually limit the success of a branded product in Japan. Japanese business people would view the lack of supply as inefficient and could lead to discontinued business with First Nations producers. Also, consumers may choose to switch brands if they are unable to acquire a First Nations branded bison product.

Since bison meat is much healthier compared to most types of meat, Japanese consumers can easily appreciate the benefits of such a product. Japanese people are also well known for their love of nature, and with the image that a First Nations branded bison product would produce and attempt to provide this would be beneficial in acquiring consumer acceptance of the product. Additionally, Japanese people generally view Canadian products as being of good quality and safe.

The high price is the deterring factor for Japanese consumers with respect to bison meat. The declining trend of dining at upper scale restaurants in Japan is another consideration that should be taken into account, because this will limit the amount of consumers that can be reached in marketing such a product. Strategic marketing will be crucial in the success of a First Nations branded bison product in Japan.

The primary competition exists in other North American bison producers. The main threat is the American bison industry. With the industry being so well developed in the United States and a more preferential trading relationship, U.S. producers are in a much better position to penetrate the Japanese market than a Canadian First Nations' partnership. One solution may be again, to create a partnership with Native American organizations to help reduce the amount of direct competition and to build higher amounts of supply to meet demand of the product.

Competition also exists not only from other meat products such as pork and beef but also, it includes specialty and exotic meats, as well as other cultural or ethnic foods. However, due to the high price on all specialty meats and the lack of developed industry for most, there is little threat. Bison are also indigenous to North America making it difficult for other countries to enter the industry.

After careful market analysis, Japan does not appear to be the best alternative to launch a marketing strategy based on receiving a premium price for a Canadian First Nations branded bison product. The high tariffs, complex distribution system, trade regulations and standards, as well as the strategic marketing strategy that would be needed for successful penetration of the Japanese

market, all require a large amount of time and financial investment. The costs associated with such a strategy are too high to use the Japanese market as the primary target market for First Nations branded bison. Most experts interviewed agreed that Japan would be a hard market to serve in terms of quality consistency.

There is much potential in Japan due to the low demand for bison meat, with much room for growth. As a result, Japan might be a region better suited for expansion in the future. There will likely be improvements made in the future to the tariff schedule and the many layers of the distribution system that will make Japan an even more attractive market. And even more so, when First Nations producers have higher production capabilities and better methods of ensuring the highest quality meat, they will meet Japanese people's expectations and possible future demand of the product.

Germany

Native culture is a fascination among German people. This fascination is mostly the result of the most popular German western novelist in the nineteenth century, Karl May. He wrote over seventy novels, the most popular being about the conflict of good and evil, with Natives representing good as the heroes and cowboys representing evil as the villains. Karl May's books have sold over 100 million copies around the globe and have been translated into over thirty languages.[xlvi] Most Germans and, in general, most Europeans, have read Karl May's books. "Not all Europeans have read the Bible," says Vanja Aljinovic, who resides in Santa Fe and read May's novels translated into his native tongue as a twelve year old boy in Croatia, "but we have all read Karl May." (Jackson Moore Ltd. n.pag.) In the early 1960's, the character's from May's most popular books, Winnetou and Old Shatterhand also appeared on the silver screen. From 1963-1968, six films were made based on May's characters.[xlvii]

For more than a century, Germans have been developing Native hobby clubs, open-air theatre festivals, fairs and carnival costumes, as a result of the images that May portrayed about Natives. One such festival is the Karl may festival, which is the annual celebration of May's birthday in his hometown of Radebeul, and also Cologne, Germany. Hundreds of Germans dress up as Native Americans and gather from all over the country in loosely formed groups called tribes.

Germany has the largest economy in the European Union and the third largest in the world. In addition to Germany's enormous economy, it is also the world's largest agri-food importer, making it appear to be an ideal target for marketing a First Nations branded bison product. The knowledge and appreciation that Germans have for Native culture is also a very convincing factor for the potential success of the product. The following analysis will outline the feasibility of doing so.

Table 7: SWOT Analysis for the German Market

Strengths	Weaknesses
• Germany has one of the largest economies and is the world's second largest importer. • Germany has approximately 82.1 million people in a small region of 357, 000 kilometres squared. • German's have a very strong awareness and appreciation of Native culture. • Exotic meats are in high demand in Germany and consumers are willing to pay a high price for these meats. • Canadian products are well accepted by the German consumer and they view Canada and its agri-food products as unspoiled.	• High costs associated with transportation, tariffs, and brokerage fees reduce profits. • The Hilton Quota restricts the amount of bovine products that are allowed to be exported into Germany. • Due to the concern of German people with freshness, quality and food safety, bison must be slaughtered and packaged in Federally inspected/EU approved facilities and be tested for diseases. • There is zero tolerance for growth hormones, genetically altered products or antibiotics.
Opportunities	**Threats**
• There is a strong demand among German consumers for variety and novelty including an increasing trend for ethnic/cultural goods. • Germany has the highest proportion of expenditure on food in the EU. • German spend approximately 30% of their food dollar on meat. • Germans will be attracted to the health conscious characteristics of bison meat.	• The total consumption of meat and meat products has been declining in Germany. • Overall price in food has been decreasing in Germany. • The main competitors are other Canadian and U.S. bison producers including those owned by other aboriginal groups. • Other meat, including specialty and exotic meats as well as other ethnic and cultural food.

Germany's large population base and relatively small land area provide a concentrated market, which could help reduce distribution and promotional costs. Berlin is the largest city in Germany with a population of 3.4 million. It is also a significant tourist destination with a tourist population of approximately 6 million people per year. Berlin is also a city that is surrounded in culture and history. However, Berlin is not the only region of Germany that might make a good location for First nations producers to market a culturally branded bison product. The city of Cologne and surrounding regions may prove to be even more successful. With a population of over 1 million in Cologne and hundreds of thousands more in surrounding regions, it makes for a large market as well. Furthermore, the city of Cologne is also surrounded in culture and some knowledgeable individuals of Germany have suggested that people in this region have more disposable income than those located in eastern regions of Germany.

These people might be more willing and able to pay a higher price for a First Nations branded bison product.

The final customer would be the upper class consumer with a keen interest in culture and high quality. They are much less likely to trade price for quality. Also, members of organizations that are based on Native culture would be considered final consumers as well. The primary customer would be white linen restaurants. Therefore, it is also very important that those restaurants are familiar with the attributes and preparation techniques of bison. In most cases, bison can be substituted for beef in recipes; however, there is less fat and the meat can dry out faster than beef.

Germany is the world's second largest importer due to its strong economy. It is also Canada's fifth largest export market.[xlviii] For Canada's agri-food export market, Germany ranks fourth.[xlix] There has been an overall increase in Canadian agri-food exports including meat products even though meat consumption is generally declining among the German population. Florian Possberg, CEO of Big Sky Farms Ltd. in Saskatchewan, had mentioned that exotic meats such as bison are in high demand in Germany and they are willing to pay a higher price for these meats even though food prices have generally been declining in Germany. A report by The Canadian Trade Commissioner Service entitled *Germany Agri-Food Sector Profile,* confirms that bison meat is one of the products with the best potential for exporting. Therefore, combined with the fact that Germans already have somewhat of an infatuation with Native culture, it is more likely that a premium price for a First Nations branded bison product can be realized.

Germans are also very concerned with the quality and safety of their meat products. This is because of the BSE crisis that occurred in Germany in 2000. Germans also do not approve of genetically altered nor hormone and antibiotic treated meats. Canada has EU approved slaughtering and packaging facilities, Canadian products are well accepted by the German consumer; and they view Canada's agri-food products as safe and healthy. For this reason the German consumer will pay more for a product that is perceived as being of high quality compared to other similar products. The German consumer will not easily trade off price for quality. Consequently, there are important implications for First Nations producers as well. Producers must ensure that they are providing the highest quality of product consistently, without the use of hormones, antibiotics or other things that might be viewed as contaminants by the German population. Furthermore, there could be even greater potential if the bison were raised organically, that is, without the use of pesticides and other chemicals in the animal feed. However, it takes three years without using any of these chemicals on the land for the product to be considered organic. Premium prices will be received for a product that is perceived by the German consumers as a superior product.

There are some drawbacks to exporting bison into Germany. One of these drawbacks is the Hilton Quota. The Hilton quota for high-quality bovine products, which includes both beef and bison, allows 11,500 metric tons of untreated bovine products at a 20 percent tariff, and thus limits EU imports of bovine products from both Canada and the United States.[1] However, this quota has yet to be met by Canadian and U.S. exports into the EU. In past years only about 20% of the quota has been filled. Therefore, there should not be too much concern about having room in the quota to sell First Nations bison products within the Hilton quota restrictions. The 20% tariff is what should be a concern for selling First Nations bison products in Germany. The Hilton Quota imposes a 20% tariff on the sales revenue of the products imported into the EU. This will be one of the highest costs associated with marketing a First Nations branded bison product into Germany. Labelling requirements also differ and must be checked in reference to the specific item being imported into Germany. There is also a value added tax rate of 16% in Germany. Low volume transports lead to higher per unit transport costs. As a result, it is important to ship larger volumes.

Due to the BSE scare in Germany in 2000, there will also be testing costs that will need to be taken into account. Testing must occur before any meat products are eligible for export. The Canadian Food Inspection Agency is responsible for conducting testing. Furthermore, all bison products must be slaughtered and packaged in Federally inspected/EU approved facilities in order to be eligible for export into Germany. According to the Canadian Trade Commissioner Service, suppliers of meat products must go through the process of obtaining EU approval and registration before they can ship their products into Europe. Therefore, as already mentioned there will be high transportation costs due to the lack of EU approved slaughtering facilities in Saskatchewan.

Most individuals interviewed for this project agreed that tariffs and the unavailability of Federally inspected/EU approved facilities in Saskatchewan are the largest barriers to entering the German market. The other largest barrier is that of broker fees. Broker fees increase costs, which reduces profits that could be realized by producers. Consequently, this is another important consideration for First Nations bison producers who are interested in marketing their products as a culturally branded product into Germany. Broker fees are approximately $0.20/lb to $0.33/lb. The price varies with broker. It depends on volume shipped, quality of broker and services that are provided. Brokers were the recommended distribution method by most experts for exporting bison into Germany. The Canadian Embassy has pointed out that due to Germany's small land area, it may be possible for one broker/importer to handle the entire German distribution channel.

Much opportunity exists for a First Nations branded bison product. According to the Agri-Food Trade Service of Canada, key agricultural and agri-food products for 2000 included meat and meat products. Also, Canadian exporters, through

shortages, niche markets and careful research, can gain significant market share in Germany.

Despite a declining trend in Germany of total meat consumption, Germans, on average spend approximately 30% of their food dollar on meat. Also, despite the decline in overall food prices in Germany, products such as exotic meats are still in demand and would less likely be subject to low prices. German people will be attracted to the healthy characteristics of bison. There is a strong demand among German consumers for variety and novelty including an increasing trend for ethnic and cultural goods. Therefore, culturally branded bison could very well help meet that demand.

Since bison are indigenous to North America, the direct competition comes from other North American bison producers. As already mentioned, American producers would be the biggest threat as they have larger production numbers and more well developed distribution methods. There are two solutions that are available to Saskatchewan First Nations producers. The first is to have the product in the German market place before any other producer does. With the right mix of marketing and promotion, the first brand to enter a market will often be the most successful. However, if a premium market is developed for First Nations bison, other groups will enter the market with a similar product. At this time there are no efforts being made by other Native producers to develop a cultural brand for their bison products. The second solution involves becoming partnered with Native producers elsewhere in Canada and the United States to form one large, unified brand among all the producers interested in order to help reduce competition.

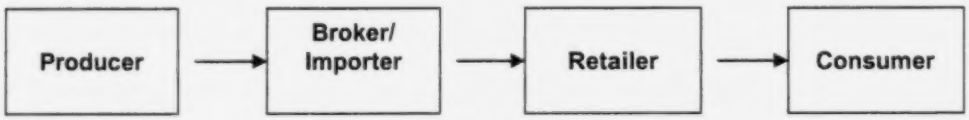
Competition exists in all other meat including other specialty and exotic meat. Beef consumption has been on a declining trend in Germany with the BSE scare. Poultry has been on an upward trend as a substitute for red meat. Bison could very well be able to capture some of this market. Bison could become the substitute for red meat, and it is also a healthier alternative to beef or poultry. The biggest concern about pork among the German consumer is the meat quality and pork consumption has been declining in Germany. Other exotic and specialty meats would also be in competition with bison; however, most of these meats do not have very high production volumes and cannot sufficiently meet demand in Germany.

Some of the individuals that were interviewed for this project agreed that a premium price could result from marketing a First Nations branded bison product in Germany. However, most agreed that quality is more important than the brand; hence, in combining the consistently highest quality meat with a First Nation's brand, producers should expect to receive a premium price for the meat. Very few people could comment on the price that could be expected, but those who did agreed that a premium of anywhere in between 10 and 20% could be achieved. The average high-class restaurant in Germany charges about $40

Canadian for a meal. Most of the cost associated with the meal is the cost of the meat.

The best and most cost effective distribution method for the product is as follows:

Figure 1: Four-Step Distribution Channel



The producer is the First Nations producers. This is where the bison would be raised and finished. The meat would then be transported for slaughter, processing and packaging. From there the meat would be shipped to Germany. The product would have to be delivered fresh and vacuum packed to ensure a superior, high quality product. A just-in-time delivery approach would be recommended to minimize cost and eliminate refrigerated inventory storage costs in Germany.

The broker or importer would find and distribute the product to the finest restaurants and hotels as well as to any organizations that are also interested in the product. The broker or importer would likely be responsible for most of the border proceedings and other red tape. It is important to find a broker that can provide the services that are needed by the producers. But first, it is important for producers to decide which services they can provide themselves and which would be more cost effective for the broker/importer to handle.

As previously discussed, the retailer or white linen restaurants would be responsible for preparing and serving the product to the customer. They are the front-line people in the distribution of the product. The most important factor here is to ensure the chefs are knowledgeable as to the characteristics and preparation of bison meat.

The consumer is the final customer of the product. These are the people who will be spending more money to enjoy the cultural experience of a Saskatchewan First Nations raised bison dish.

The price that will be charged to the final customer will be a premium price. Bison meat is rare in Germany; will be of high and consistent quality; and have the value added cultural component of the brand. However, there are costs associated with the marketing plan that would also need to be taken into consideration. Some of these costs include the following:

- Transportation costs to the nearest slaughter/processing facility;
- Slaughtering and processing/packaging expenses;
- Air charges;
- Ground transportation costs (from processing to airport);
- Broker/Importer charges;
- Hilton Quota;
- Value Added Tax Rate; and
- Promotional/Advertizing costs.

Most of these costs will vary. This could be because of amounts that are being transported at a time as well as the amounts that are being slaughtered, processed and packaged. Broker/Importer fees are approximately $0.20/lb to $0.33/lb. The price varies with broker. It depends on volume shipped, quality of broker and the services that are provided.

Promotional and advertizing costs will also depend on quality, degree and type of promotions that are going to be used. However, it is suggested that a very strong promotional campaign be utilized in order to develop the brand quickly, create greater brand loyalty, and use both push and pull marketing strategies to help create demand for the product.

Recommendations

The following recommendations are provided based on the research and interviews conducted for this project.

- Develop the right mix of logo/symbol, slogan and name to ensure successful product recognition and differentiation.
- Include ceremonial elders in all aspects of the decision making process. This includes the brand name and design and spirituality and ceremonialism in all aspects of the production of First Nations branded bison.
- Do extensive research of the German market and visit the country to make contacts and develop relationships.
- Develop a strong and effective advertising/promotional campaign to induce consumer recognition of the product and to create a demand for the product. Some suggestions provided from interviews that were conducted included:
    - Introducing the product in trade shows, some of which are the largest in the world, using elaborate displays that communicate First Nations culture.
    - Ensure that the restaurants and other organizations that will be selling the product to the final customer are skilled in the attributes and preparation of bison meat.
    - Create promotional parchments of authenticity that would guarantee origin and communicate the First Nations culture.

    - Use original packaging and labelling (according to German standards and requirements) that will attract customers and reflect First Nations culture.
    - Use magazine ads in cultural type and food/cooking related magazines.
- Either be the first to penetrate the German market and quickly and build brand loyalty with German consumers or try to find ways of preventing imitation by other similar groups and maintain supply control.
- Develop conditions that apply for producers to be eligible to use the First Nations brand.
- Do test marketing to help ensure success of the brand.
- Attempt to establish strong relationships in order to establish solid marketing and distribution systems.
- Increase production numbers substantially to keep up with demand and for future expansion.
- Ensure a consistently high quality product among First Nations brand producers.
- Find and develop other markets for lower quality cuts and other bison products.
- Organic bison could be considered as another alternative in addition to the cultural brand.

These are only recommendations based on the research that has been conducted. Not all of these recommendations need to be considered. There are some that are much more important than others are. Some of the recommendations may or may not be useful in considering.

Summary

Marketing a Saskatchewan First Nations bison product could prove to be very beneficial not only for First Nations people of Saskatchewan, but also for the enhanced economics and sustainability of Saskatchewan' s agricultural sector.

Some of the benefits of creating a First Nations brand are that it offers product recognition and effective differentiation from other similar products. It has already been determined that in the German market, a premium price can be realized by the use of a cultural brand rather than competing on price or quality alone. Furthermore, the brand serves to control supply based on culture, which should help to avoid price reductions.

Other benefits to First Nations people of Saskatchewan are that the concept of a cultural brand would allow First Nations people to revitalize an important part of their culture and become more in touch with their heritage. It allows First Nations people to create global awareness and appreciation of their culture. Furthermore, the brand allows First Nations people the opportunity to access the global market and to become recognized as fair competitors in the industry. The development of a First Nations brand for bison can help to open doors for future branding efforts of other products and/or services.

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Appendices

Canadian Bison Grades

Age	Quality Factors	A			B		C		D	
		A1	A2	A3	B1	B2	C1	C2	D1	D2
Maturity Class I (Youthful)	Muscling	Excellent to good			Excellent to good	Excellent to Medium			No Requirements	
	Fat Colour	White to Amber and firm			White to Pale Yellow and Firm	White to Yellow			No Requirements	
	Meat Colour	Bright Red and Firm			Bright Red and Firm	Bright to Dark Red			No Requirements	
	Fat Measure	2-6 mm	7-12 mm	12 mm +	1-2mm	1mm+			0-4mm	4+mm
Maturity Class II (Interned)							Excellent to Medium		No Requirements	
							White to Yellow		No Requirements	
							Bright to Dark Red		No Requirements	
							1-4 mm	4+ mm	0-4 mm	4+ mm
Maturity Class III (Mature)									No Requirements	
									No Requirements	
									No Requirements	
									0-4 mm	4+ mm

(Source: www.bisoncentral.com- webpage)

Meat Broker/Importer Survey
Overview of the International Export Market for First Nations Bison

Commissioned on behalf of the *Federation of Saskatchewan Indian Nations*
Research Conducted by the University of Saskatchewan
April 2003

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Overview - Survey Results

The objective of this project was to conduct interviews with knowledgeable individuals in the meat industry. The individuals interviewed ranged from Senior Marketing and Trade Officers, International Business Development Specialist, Brokers, University Professors and the Canadian Bison Association. There was a general consensus for most of these questions.

There was an awareness of the First Nations culture in the Canadian and German marketplace. The U.S market sent different signals with some being aware of it and others not. Germans have a strong cultural awareness of the First Nations culture. This is driven by the long-standing fascination that has developed with the Karl May novels and has grown into large festivals throughout the country. Japan has very little or no knowledge of the First Nations culture but recognize Canadian products easily.

Japanese are more hesitant to do business and also prefer to do business in their language. The current demand for bison is small and is being filled in Japan. It is competitive to enter Japan. They also demand very high quality, disease free products. They are not as concerned with hormones like Europeans.

The problems encountered marketing bison meat internationally were similar for many of the interviewees. Some of the drawbacks that were commonly mentioned are:

- Need of a Slaughter facility in SK.
- Tariffs are a barrier
- Export fees too high

Some believe a premium for a First Nations product is feasible and others do not. This depends on which country the bison product is entering. Price points are sensitive and competitive for meat products in most countries. The view held by most interviewees is that the most demand would be for high quality cuts. Broker fees were around $0.20/lb to $0.33/lb. The price varies with broker. It depends on volume shipped, quality of broker and services that are provided. The most effective distribution that was mentioned was through an experienced broker into wholesalers. This is an established and stable method. Although, many of those surveyed feel that this has a large impact on the profitability of marketing meat into other countries because of the cost associated.

Advice that was given to further develop marketing channels internationally ranged between the interviewers. It was mentioned by several people that making a marketing trip into the country would be beneficial. First hand experience results in valuable information to be used to develop effective marketing strategies. Other comments were to partner with the Karl May Institute, send First Nations people over to do promotion about their culture, develop contacts in the country, develop a natural brand and do a lot of market research.

Jim Morris - Ronald A.Chisholm International Food Merchants.

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Chisholm is a global supplier base comprises the producers, exporters and distributors of meat, dairy and food ingredient raw materials world-wide. Customer base includes manufacturers, importers and distributors of meat, dairy and food ingredient raw materials. They are the market maker for their clients and take on all risk inherent in the transaction providing logistics, finance and currency options, market opinion, research and information.

As one of the largest private operators in its trade lanes, Chisholm partners with major carriers and manages its transactions in-house and confidentially through a professional staff of logistics and trade finance experts.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   Yes, we broker meat.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   What I am aware of there is not that much hype about the culture.

3. **What are some benefits of marketing a First Nations bison product?**

   None that I am aware of.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   The foreseeable problem that I see is finding a market big enough to take 108 containers which is 2 containers a week (25tonnes/container) and finding the actual customers to make the sale to.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   The same as other meat

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   No premium

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   The same as other high quality meat in the restaurants or grocery stores

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   We assume no liability and when you sell the product to the buyer they pay you 1/3 a cent a pound for you bringing it to them. For shipping costs 25 metric tones is a full load and then the ocean freight is 150 dollars U.S per ton.

9. **What would you see as the most efficient form of distribution of this product?**

   Finding actual customers that have a high demand for the product and use a broker to facilitate all the transactions.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Make sure you have a large enough customer base to make the vast amount of sales needed to move the product.

11. **Would you be interested in importing or brokering bison meat?**

    Maybe.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Stan Dugan – Kitsaki Meats Ltd. Partnership/Northern Lights Foods
(Div. of Kitsaki Management Limited Partnership)

Plant Manager
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Homepage: **www.northernlightsfoods.com**

Kitsaki Meats Inc., is a division of Kitsaki Management Limited Partnership. They are a manufacturer of meat snacks and also a grower and trader of organic wild rice and mushrooms. Northern Lights is a division of Kitsaki Meats, together they bring you Canadian products, organically grown wild rice and "All-Canadian" beef jerky. They are currently marketing their wild rice throughout Canada, Europe and the United States, their beef jerky is sold across Canada and into Japan and their wild mushrooms are sold in Canada, the United States and Japan.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   Kitsaki Meats Limited exports beef into Japan.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Low awareness of the First Nations culture in Japan.

3. **What are some benefits of marketing a First Nations bison product?**

   Unknown

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   Japanese are more hesitant about doing business. Time has to be spent developing relationship before there is any commitments in business are made. They are more cautious and reserved compared to Americans or Canadians.
   Making the contacts in Japan require time and money. Currently we sell to a broker who then sells the Jerky for a 100% mark-up. If the product can be sold directly into stores, it would definitely be more profitable.
   The other drawback is that they like to do business in their native language, which poses some problems. A person fluent in both languages

is an asset to market into this country. In almost all other countries, business can be done in English.
Japanese are concerned with disease in meat products entering the country although hormones are not a concern like in Europe.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   I suspect that Germans are willing to pay for bison. Unsure of an exact price.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Unknown

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   In Japan, the demand for bison is relatively undeveloped as yet. First Nations-type of branding has not been explored yet to my knowledge.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Not sure of exact numbers off-hand.

9. **What would you see as the most efficient form of distribution of this product?**

   Get closer to the end user to capture more profit would be the most efficient but is easier said than done.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Visit the country and build relationship with contacts first.

11. **Would you be interested in importing or brokering bison meat?**

    Possibly, the biggest concern is that the EU approved slaughter facility is too far away, this causes the price to be too high for slaughtering. If Bison remains at these low prices I may consider bison jerky again.

12. **Would it be suitable for us to contact you again if this project expands?**
    Yes.

John Zeppieri - Norlake International Ltd.

Broker/Trader
300 Trowers Road Unit #9
Ontario, Canada
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Homepage: www.norlake.com

Norlake International Ltd is a trading company involved in export sales of food products, primarily for the Japanese market. Norlake International started business in 1986 as a meat trader and slowly branched into other food products in the early 1990's. Norlake buys and sells meat, meat by-products, and fresh and frozen value-added grocery products to foreign markets, primarily to Japan. They have offices in Ontario and Yokohama, Japan.

Current Products and Services:
Purchases and distributes chilled and frozen meat, meat by-products, bakery mixes, frozen dough, frozen bread ingredients, honey, fruit juices, maple syrup and related products.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   John is a broker/trader for Norlake International

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Japanese awareness of *Canadian* products is very strong. There is some awareness of First Nations culture in Japan.

3. **What are some benefits of marketing a First Nations bison product?**

   In Japan, there is a very small market and demand for bison currently. The Japanese do have interest in other cultures and experiencing new things.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   There are tariffs for meat in Japan, it varies by product.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

N/A

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Unsure of what the premium could be if the product was from First Nations. It may not be any different where the product came from in Japan.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   The small demand for bison in Japan makes marketing bison challenging. There are restaurants that carry it in the country currently but it is a very small quantity.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Cost for transport ranges from $1.50 to $2.50 depending on volumes. Broker fees around $0.30/lb.

9. **What would you see as the most efficient form of distribution of this product?**

   The way Norlake works is that we sell boxed meat into Japan and when it reaches the country, the importer takes over the product and ensures the documentation is sufficient and they take care of the rest, such as tariffs, fees etc.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

11. **Would you be interested in importing or brokering bison meat?**

    No, not at this time. We tried before with some bison from Western Canada and the market is too small and too competitive at the moment.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Bruce Laporte - Banner Sales & Marketing, Inc.

Director of Operations
Box 2133, 20800 Westminster Highway
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Banner Sales and Marketing Inc specializes in Food and Non-Food products

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   This organization is not an importer or broker of meat.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   There is an awareness of First Nations culture. The majority of people are aware but there is very little effort to promote the First Nations culture.

3. **What are some benefits of marketing a First Nations bison product?**

   The product could have potential. Bison is not a new product there. The problem with bison is that marketing to the consumer has failed as far as proper preparation of the product.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   There are no foreseeable problems. But, there will have to be sustainable marketing of the First Nations product to be successful. The customer and consumer need to be addressed in regards to preparation of the product. The limited success/failure (depending on how you look at it) of bison is presently the biggest concern for First Nations.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   Look at the beef market. If you could capture 10% of the present beef market, it would be HUGE!! Does not know the present price of bison.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

No premium for a First Nations branded product unless they could convince him why a First Nations product is better than any other bison out there. There must be a consistent, premium quality product before you can get a premium price. This is in terms of regulated production with very strict standards that guarantees the product is the best possible **every** time.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Must be able to relate the high quality to the customer. Why are First Nations products any better? Once again, regulation in the industry would go great distances to ensure some standards. Look closely at beef regulation.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   % of the dollar value based on what it was sold to the customer for (the retailer/wholesaler).

9. **What would you see as the most efficient form of distribution of this product?**

   The most efficient would be to go through a packer because they already have the channel established. This would translate into established wholesalers, better distribution and most importantly, sustainable. They aren't going to disappear overnight. The only problem with this is you may be caught because they are a beef distributor, and not necessarily a bison distributor. There are some slaughter facilities in the vicinity which do just bison and some that do bison and beef combined.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Talk to the government regarding trade to other countries. Meat expos would be an ideal place to start such as SAL in France. You could then introduce bison to the world. Be sure to have a skilled gourmet chef to prepare the meat.

11. **Would you be interested in importing or brokering bison meat?**
    At this time, no. Have been approached by Alberta bison producers in the past. They may change their mind if government regulations were instilled along the lines of beef. Insurance of a quality, consistent product. Must have a regulated industry to ensure the best product.
12. **Would it be suitable for us to contact you again if this project expands?** Yes

Florian Possberg – Big Sky Farms Ltd.

CEO
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Fax: (306) 682-5042

Big Sky owns and operates production units in the Humboldt, Goodeve, Kelvington, Lintlaw, Preeceville and Sturgis areas and have units under construction in Ogema and Rama. With an impressive track record of expansion, by the year 2008, Big Sky expects to be producing 2 million market hogs a year for markets around the world. Big Sky Farms has become one of the largest producers in Western Canada.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   No, I'm a pork specialist in the Saskatchewan area. Operate numerous hog barns under the company of Big Sky Inc. I recently visited Japan to conduct market research about moving my pork products into the Japan market.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes there is due to the fact that my business is operated out of Saskatchewan.

3. **What are some benefits of marketing a First Nations bison product?**

   You are developing a new market, cultural brand for a product, and competing with beef, pork and chicken.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   None in Saskatchewan.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   Exotic meats are in high demand in Germany and consumer pay a high price for these meats.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   10% over all other competitors.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   In Germany there would probably be a high demand if a strong marketing brand were set into place.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   The charge is usually from the importing or broker. There charge is usually around 2-5%. However, if you sell directly to a country there usually is no fee charged.

9. **What would you see as the most efficient form of distribution of this product?**

   In Japan the broker usually goes through an importer and then the importer deals with the distributing company.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Do lots of research and find what the consumers needs are. Deliver a quality product. In order to establish sound contacts one must go to the country and physically meet the contacts that you will be dealing with.

11. **Would you be interested in importing or brokering bison meat?**

    Not into the broker/importer business.

12. **Would it be suitable for us to contact you again if this project expands?**

    No

Douglas Allen – Buffalo Meat Company of Prince Albert
Director
Box 36
380A South Industrial Drive
Prince Albert, SK
S6V5R4
Phone: 306-922-3077

Established in 2000, the buffalo Meat Company of Prince Albert is located in Prince Albert, SK. The Buffalo Meat Company provides fresh bison products to consumers domestically and in the international marketplace.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   The Buffalo Meat Company exports bison mostly into the United States and some internationally.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   I attended the ANUGA food trade show a couple years back to make contacts within the European Market. I think there is recognition of First Nations in Germany.

3. **What are some benefits of marketing a First Nations bison product?**

   There is knowledge already of the culture in some countries in Europe.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   The biggest hurdle is the tariffs. The problem is that the middle man takes too much of the profits. If there could be away to get more of this money then it would be more profitable. Also the governments could lower the tariffs.

   Demand is not the problem for this industry, its how the industry is set-up.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   In Europe, generally there is market for premium prices as long as they stay competitive with the other meats like ostrich etc.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Can't comment because at the moment we are still in the market research phase of our business plan.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   There is demand for Canadian bison in Europe but as for First Nations I can't comment on the market for a product like that.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Varies from country to country.

9. **What would you see as the most efficient form of distribution of this product?**

   Retaining ownership of the product is the key. I personally think the best way into Europe is to set-up an import company in that country so more of the profits can be captured.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    The marketing trip into Germany and neighbouring countries was very profitable in the fact there was a lot of market information learned.

11. **Would you be interested in importing or brokering bison meat?**

    I am currently exporting Buffalo Meat Company bison at this time.

12. **Would it be suitable for us to contact you again if this project expands?**
    Yes

John Appleby - Canadian Frontier Foods Ltd.

Broker
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Canadian Frontier Foods, of Calgary, had 1,200 young bulls slaughtered in 2000 at the Alsask plant in Edmonton. They plan to slaughter up to 2,000 this year, with most of the meat going to the U.S.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   Yes we are an importer and broker of meat. We buy the full bison animal from producers across western Canada and then slaughter it at Northwest foods in Edmonton and then sell it across the world.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   The awareness is there.

3. **What are some benefits of marketing a First Nations bison product?**

   There are benefits of marketing bison products because if you buy the animal off the farm, which they are cheap right now, and then sell it to other countries at a premium there is money to be made in the middle, but I don't know if First Nations helps that much.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   Anytime you go into Europe there are always tariffs involved that cuts the margin and for bison it is the duty importer tariff of 20 %.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   It is in comparison to other meats so the margins are tight once the red tape is done.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   I don't know but probably not that much.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Top end cuts always receive a premium but once again the First Nation thing may not be that much of an asset in certain markets other than Germany.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   The shipping fees alone are $3000 per 1500 kg container and for brokering fees we buy the animal of the farm and then our marketing managers, for example in Germany sell straight to the restaurants.

9. **What would you see as the most efficient form of distribution of this product?**

   Like I said the most efficient way is for us to buy the raw product and do all the handling right through to the end user.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Go through reliable broker, importer, and exporters like our selves that already have the connections in other countries.

11. **Would you be interested in importing or brokering bison meat?**

    We do it already and yes we would be interested in marketing or brokering the First Nations buffalo.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes

Roger Provoncher – Saskatchewan Bison Producer

Owner/Operator
General Delivery
Canwood, Saskatchewan
Phone: 306-468-2930

Roger Provoncher is a producer in Northwest Saskatchewan that just attended a Value Chain conference in Anaheim, U.S.A. This conference is the largest organic one in the world, he attended to get information on marketing buffalo in the U.S and other countries.

1. **Are you or is your organization an importer or broker of meat? And what functions do you perform as an importer or broker?**

   Roger Provoncher is a bison producer in northwest Saskatchewan and is actively marketing bison.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes there is somewhat of an awareness of the first nation culture but the Americans are more sold on the "natural" word than any culture. This is big here!!

3. **What are some benefits of marketing a First Nations bison product?**

   There are benefits because hamburger alone was selling for 4 to 6 dollars a pound in Anaheim. I don't know though if there is any benefit of putting First Nation in front of the bison product.

4. **Are there any foreseeable problems of drawbacks that could be encountered in marketing to your country or region?**

   The main foreseeable problem that I see going into the U.S is a rule that was made in 1940 about how any meat coming into the U.S has to have at least 3% pork, beef or lamb in it. This was forgotten about until some senator in one of the northern states brought it up. So now the Canadian Bison Association is trying to fight it along with the industry down in the States that want some bison.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

Bison meat is lucrative with hamburger going for 4-6 dollars a pound. (in the U.S.)

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Don't know exactly

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   They were aware of the First Nations but were more sold on the natural theme than anything and that is where the premium can be expected.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Don't exactly know but there is a lot of red tape.

9. **What would you see as the most efficient form of distribution of this product?**

   Getting a good broker to sell the natural brand into the U.S.A

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Develop a natural brand that can be very reputable in the industry and so the consumer knows that they can be eating a true natural product.

11. **Would you be interested in importing or brokering bison meat?**

    Yes that is why I attended the Anaheim conference to see how to develop my bison product into other areas.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes, I would be very interested to see how it works out.

Jackie Blondeau – Saskatchewan Agriculture & Food

International Business Development Specialist
Room 329
3085 Albert Street
Regina, Canada
S4S 0B1
Phone: 306-975-4094

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   No

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   There is a fairly wide awareness of the First Nations culture in Germany.

3. **What are some benefits of marketing a First Nations bison product?**

   The employment that results from processing of the bison.

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   The challenge of understanding the export market presents possible problems.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   I don't know prices in Germany.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   I don't think one could expect premiums everywhere in the world, but maybe in Europe.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

The demand for the top end cuts would only be high for this product. Other products like ground beef would not be as high, people are less willing to pay for premium, and branded low end cuts.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Not sure.

9. **What would you see as the most efficient form of distribution of this product?**

   Too go through a broker into the country, this would help take care of the extensive paperwork that is involved.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Take advantage of the government organizations that would aid in the development of the marketing channels. There are departments to help develop markets and give export advice.

11. **Would you be interested in importing or brokering bison meat?**

    N/A

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Rob Ziolo - Saskatchewan Trade and Export

Phone: 306-933-6551

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   No, I am in the field of trade and export in SK.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes, there is awareness in Germany of the First Nations culture. The interest would be classified as medium to high in my opinion.

3. **What are some benefits of marketing a First Nations bison product?**

   One of the benefits to doing this is that game meats are accepted. Germans consume a lot of other game meats such as wild boar and venison, products like this.

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   The processing facility is a problem in Saskatchewan.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   There are profits to be made but it is crucial to have the marketing in place in the country that you are exporting into. The marketing is a huge investment if it is done well.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Can't comment on an exact price.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Demand is high in Germany for high quality meats in general, whether it is First Nations, I don't know.

They are very focused on the healthy, hormone free and natural qualities of the meat.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   The fees are relatively costly and definitely play a role in market access into most European countries.

9. **What would you see as the most efficient form of distribution of this product?**

   Through a broker, then into the marketplace. (Grocery stores, specialty meat shops.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Conduct more market research in the areas of pricing strategies for the product.

11. **Would you be interested in importing or brokering bison meat?**

    No

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Art Belange – Agriculture and Agri-food Canada

Senior Marketing and Trade Officer
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Regional offices are responsible for providing single-window access for regional clients and stakeholders to all of the Market and Industry Services Branch's programs and services. Regional offices can provide services and information regarding: Market access, provide links with information on the impact of bilateral and multilateral trade agreements, and associated market opportunities and constraints, market development, analysis of domestic and international market demand, consumer trends and opportunities, identify export-ready companies and products, as well as facilitate buyer/seller relationships.

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   No

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes.

3. **What are some benefits of marketing a First Nations bison product?**

   There is a good acceptance of game meats over there.

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   The tariffs, regulations.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   A competitive market so prices are not that great.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

Price points are sensitive, so I would definitely say no.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Demand is high for quality meat products, First Nations or not.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   I can get you in contact with some brokers for that information.

9. **What would you see as the most efficient form of distribution of this product?**

   Using an exporter and marketing into areas of the European Union that show a willingness to pay for high quality meat.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Visit the country, contact trade commissions in the country for advice.

11. **Would you be interested in importing or brokering bison meat?**

    No.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Gavin Connocher - Canada Bison Association

Executive Director
P.O. Box 3116
Regina, SK, Canada S4P 3G7
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The Canadian Bison Association provides services to more than 1,900 bison producers across Canada, as well as others involved in the bison industry.

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   No

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes, in Germany.

3. **What are some benefits of marketing a First Nations bison product?**

   It is a good drawing benefit to increase tourism.

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   There is a 20% tariff placed on this product so by the time it hits the consumer it may have a 60% mark up because of tariffs.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   The tariffs limit the profits.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Can't put a number on it, again the tariffs reduce the amount of premiums that can be applied to bison in other countries. The price still has to be competitive in the market.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Europe has demand for bison. More for the premium cuts. They may be willing to pay for First Nations bison, but have no experience in that particular area of the market.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Vary depending on the services that are provided. Each broker delivers different levels of service and therefore that costs will vary.

9. **What would you see as the most efficient form of distribution of this product?**

   Most efficient would be to get as close to the end-user as possible.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Try to associate with the Karl May Institute since these trade shows are a big hit in Germany already.

11. **Would you be interested in importing or brokering bison meat?**

    No.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Claude Bouvry – Bouvry Exports Calgary Ltd.

EU slaughter facility at Edmonton Alberta +
Springbank Bison

Phone: 403-253-0717

Established in 1982. They ship meat products from two federally and EU (European Union) approved slaughterhouses, one in Alberta and one in Quebec, Canada. They also have a distribution center in Paris, France. With 17 years of exporting experience, 95% of sales are derived abroad. Meat products are shipped in carcass form; vacuum-packed natural cuts or in customer specified cuts. Fresh products are shipped by air, leaving from both the Calgary and Mirabel international airports. Frozen products are shipped by sea. The products are also available. Bouvry Exports also deals in the trade of live animals. Products are: Horses, Horsemeat, Horse by-products, Bison, Bison by-products and Ostrich meat.

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   Market bison meat internationally.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   There may be some.

3. **What are some benefits of marketing a First Nations bison product?**

   Unknown

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   If someone gets greedy and hormones are found in Canadian meat, it will be down the drain. The Europeans appreciate and are willing to pay for a natural, hormone-free product such as bison. People should be cautious about getting into the business, as well.
   If too much bison enters Europe, protectionist farmers there will react.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   There is competitive pricing and it reduces the profitability.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Europeans will pay 10 to 15 per cent more for bison than for beef because of bison's natural, hormone-free reputation.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Cannot speculate. If there is interest in the culture, there may be demand.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Don't have hard figure at the moment. Depends on the volumes of product that is being exported.

9. **What would you see as the most efficient form of distribution of this product?**

   Through an exporter.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    There is a strong market in bison but it's not based on the sale of the meat, it's based on hope that there'll be sale of meat.

11. **Would you be interested in importing or brokering bison meat?**

    Yes.

12. **Would it be suitable for us to contact you again if this project expands?**

    No.

Bill Kerr - University of Saskatchewan

Professor
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Bill Kerr specializes in International Trade issues.

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   No.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes, I am aware that there is interest in First Nations culture in Germany.

3. **What are some benefits of marketing a First Nations bison product?**

   They like to try new entrees. Plus, going into a market where cultural awareness is already present is also an advantage.

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   Training the restaurants to cook the bison meat to satisfactory may pose some problems.
   As well, it is hard to be as consistent as the Japanese would like.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   Unknown

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Unknown

7. **What might the demand be like for a high quality, First Nations branded bison product?**

There would likely be demand for premium cuts of bison. It is hard to say about the demand for the cultural aspect of the production.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   Unknown

9. **What would you see as the most efficient form of distribution of this product?**

   Close sales relationship with the destination country could improve efficiency.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    It would be good if Native North Americans went over there themselves and promoted it first hand.

11. **Would you be interested in importing or brokering bison meat?**

    N/A

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.

Joe Saxinger – Sage Hill Buffalo

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Cudworth, SK
S0K 1B0
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Ph: 306-654-2119
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Joe Saxinger has done extensive market research into exporting bison into the German marketplace. He traveled to Germany in the spring of 2003 to attend trade shows and market bison. His trip was successful with many contacts being made within Germany and plans to continue his efforts to marketing into the country.

1. **Are you or is your organization an importer or broker of meat? What functions do you perform as an importer or broker?**

   No, but I market bison into German currently.

2. **Is there awareness or interest of First Nations culture in your country or region? If so, what level of awareness or interest is there?**

   Yes, Germans have been familiar with the native culture for many years. In school they read about North American Indians. There are many festivals and pow-wows all over the country.

3. **What are some benefits of marketing a First Nations bison product?**

   It benefits the producers.

4. **Are there any foreseeable problems or drawbacks that could be encountered in marketing to your country or region?**

   There is a need for a slaughter facility.
   Tariffs are a hindrance. The regulations cause problems for exporting. It is very important that the exporter is familiar with ALL of the rules for entry.

5. **How lucrative is the bison market and what are the prices for bison meat in your country or in Germany?**

   Can be beneficial, especially when the price of bison meat is low in Canada.

6. **How much of a premium could be expected to receive for marketing a First Nations branded bison product?**

   Maybe 15% or 20% more for a product like that. The quality will be the most important factor in determining the premium.

7. **What might the demand be like for a high quality, First Nations branded bison product?**

   Demand is high in Germany for bison. I sold all of the meat that I brought with me. I had a great response at the trade show from people. Germans are interested in how they are raised in Canada. I brought lots of pictures of the bison so they can see how they are raised.

8. **What kinds of fees are usually charged for services related to importing or brokering meat?**

   If one doesn't have a quality broker, there can be fines assessed such as the $16,000 that I encountered when I brought some meat over to Germany. Then the 20% quota was still added on top of this.

9. **What would you see as the most efficient form of distribution of this product?**

   Using a well-experienced broker is the most important key to efficiently distribute this product.

10. **What advice would you give as to how to further develop marketing channels on the international level?**

    Marketing is the most work and is expensive. Trips to Germany are definitely good and so are contacts in the meat industry.

11. **Would you be interested in importing or brokering bison meat?**

    No.

12. **Would it be suitable for us to contact you again if this project expands?**

    Yes.